

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 AGR-20 CIAE-00 COME-00 EB-11

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E.O. 11652: N/A

TAGS: ETRD PINT BL

SUBJ: CONVERSATION WITH PRESIDENT BANZER ON COTTON CONTRACTS
PROBLEM

1. IN CONVERSATION NOVEMBER 21 ON OTHER SUBJECTS, I ASKED
PRESIDENT BANZER FOR HIS VIEWS AS TO HOW THE GOB MIGHT DEAL
WITH ITS AUGUST 4 DECREES IF ADEPA AND COOK/RALLI WERE TO
REACH AN AGREEMENT AT A FIGURE BELOW THE 56 CENT A POUND
SPECIFIED IN THOSE DECREES. I EXPLAINED TO THE PRESIDENT
THAT COOK AND RALLI HAD MADE AN OFFER TO ADEPA WHICH, WHILE
NOT ACCEPTED, DID PROVIDE A BASIS FOR FURTHER DISCUSSIONS.
I NOTED THAT ADEPA THROUGH TWO OF ITS REPRESENTATIVES HAD
MADE A COUNTER-OFFER TO COOK/RALLI WHICH WAS NOW BEING
CONSIDERED BY THEM. THE PRESIDENT INDICATED HIS PLEASURE AT
THE CONTINUATION OF TALKS BETWEEN THE TWO PARTIES AND SAID HE
WAS PLEASED THAT THE ATMOSPHERE HAD CLARIFIED SO THAT THESE
DISCUSSIONS WERE GOING FORWARD. HE EXPRESSED HIS HOPE THAT
THE PARTIES MIGHT REACH AGREEMENT AT THE 56 CENT LEVEL, BUT
THEN ALMOST IMMEDIATELY ADMITTED THAT HE DOUBTED THAT THIS
WAS POSSIBLE. I AGREED WITH HIM AND STATED MY VIEW THAT THE
SOLUTION WOULD UNDOUBTEDLY RESULT IN A PRICE MUCH LOWER THAN
56 CENTS A POUND SO THAT THE QUESTION OF HOW TO TREAT THE
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GOVERNMENT DECREES WAS IMPORTANT. PRESIDENT BANZER

INDICATED HIS UNDERSTANDING OF THIS POINT AND SAID THAT THE DECREES WOULD BE RESTUDIED BY HIS GOVERNMENT. HE SAID THAT THE MOST IMPORTANT ACTION, HOWEVER, WAS FOR ADEPA AND THE WORKERS TO COME TO AN AGREEMENT.

2. WHILE I RECOGNIZE THAT THE PRESIDENT'S REMARKS DO NOT CONSTITUTE A FIRM COMMITMENT TO GOB ACTION REMOVING THE DECREES AS A POSSIBLE BARRIER TO FINAL SETTLEMENT OF THE COTTON CONTRACTS PROBLEM, I DO, HOWEVER, CONSIDER THAT THE PRESIDENT HAS PLACED THE EMPHASIS CLEARLY WHERE IT SHOULD BE, ON THE TWO PARTIES GETTING TOGETHER TO RESOLVE THE PROBLEM. I HAVE THE STRONG PERSONAL VIEW THAT THE GOB WILL FIND SOME WAY TO KEEP ITS DECREES FROM FRUSTRATING AN AGREEMENT BETWEEN THE TWO SIDES. THEREFORE, I RECOMMEND THAT THE DEPARTMENT URGENTLY ENCOURAGE COOK, TOGETHER WITH RALLI, TO SEND REPRESENTATIVES HERE IMMEDIATELY TO TAKE UP DIRECT NEGOTIATIONS WITH ADEPA. COOK/RALLI HAVE SENT A TELEX (REPORTED IN LA PAZ 7006) TO ADEPA ASKING FOR CLARIFICATION OF CERTAIN POINTS IN THE ADEPA OFFER REPORTED EARLIER. I STRONGLY URGE THAT THE DEPT. ENCOURAGE COOK TO SEND REPRESENTATIVES HERE EVEN BEFORE CLARIFICATION OF THE POINTS RAISED IN THEIR TELEX.

3. AN IMPORTANT FACTOR MOTIVATING ME TO MAKE THIS STRONG RECOMMENDATION IS THE POTENTIAL LINKAGE OF OUR TIN CONSULTATIONS WITH THE COTTON CONTRACTS PROBLEM.
STEDMAN

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